

Exhibit 300 (BY2008)

PART ONE	
OVERVIEW	
1. Date of Submission:	2006-11-07
2. Agency:	015
3. Bureau:	45
4. Investment Name:	Electronic Management System (EMS)
5. UPI:	015-45-01-14-01-2252-00
6. What kind of investment will this be in FY2008?	
Mixed Life Cycle	
7. What was the first budget year this investment was submitted to OMB?	
FY2001 or earlier	
8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.	
<p>The Electronic Management System (EMS), ID No. 015-45-01-14-01-2252-00, requests FY08 funding approval of \$10.688 million for operations, systems maintenance, and proposed upgrades to sustain security, operability, and availability. As the principal electronic gateway for electronic commerce, EMS is IRS' main processing system for electronic information exchanges between the IRS and external Trading Partners (TPs). Current tax forms include Form 1040 family, 1041, 1065, 1120 family, 94x, 990 family, State Acknowledgements (StAck), and Electronic Tax Documents, (ETDs). These forms come in a variety of formats, including IRS Proprietary, Magnetic Tape, and Extensible Markup Language (XML). EMS receives Sensitive but Unclassified tax information, performs validation for each form type/format, provides a unique acknowledgement receipt and/or rejects transmissions not meeting validation requirements. Valid transmission "drain" files are made available for subsequent retrieval and processing by the mainframe Electronic Filing (ELF) systems. Drain files are placed in file directories that correspond to the applicable IMF or BMF e-file submission processing sites XML-formatted 94x and Modernized e-File (MeF) files (Form 1120/990 family) are shared with the respective 94x XML and MeF Systems via FTP. These subsequent ELF, 94x and MeF systems return acknowledgements to EMS. These acknowledgements available to TPs in the same format as originally transmitted. TPs must apply, register and be accepted by E-services before e-filing begins. Another EMS component is the State Retrieval Subsystem. SRS receives state data from either the 1040 or 1041 ELF processing system, performs validations, and makes state files available to each participating State partner. States that participate in the Fed/State program, log in securely through EMS to retrieve State files. EMS also supports Help Desk employees who provide TP assistance. The EMS Help Desk is web-based and supported through a web browser. The Help Desk makes TP filing information and reports available to authorized users. The StAck process allows State partners the ability to log in to EMS and "drop off" their State Acknowledgements, for subsequent retrieval by respective TPs, promoting the Fed/State program and one-stop service.</p>	
9. Did the Agency's Executive/Investment Committee approve this request?	
yes	
9.a. If "yes," what was the date of this approval?	
2006-08-09	
10. Did the Project Manager review this Exhibit?	
yes	
11. Project Manager Name:	
Osborne, Shelvee H; Domain POC David Vierling	
Project Manager Phone:	
Domain POC Phone 202-283-5058	
Project Manager Email:	
Domain POC email david.vierling@irs.gov	
12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.	
no	

12.a. Will this investment include electronic assets (including computers)?	
yes	
12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)	
no	
13. Does this investment support one of the PMA initiatives?	
yes	
If yes, select the initiatives that apply:	
Expanded E-Government	
13.a. Briefly describe how this asset directly supports the identified initiative(s)?	
E-File supports the President's Management Agenda (PMA) for expanded Electronic Government by providing America's taxpayers the ability to electronically file tax returns via third-party Trading Partners (TPs). The EMS is a secure front-end processing system that receives, validates, stores, and acknowledges receipt of encrypted transmissions containing tax information, (tax forms and documents).	
14. Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)?	
No	
15. Is this investment for information technology (See section 53 for definition)?	
Yes	
16. What is the level of the IT Project (per CIO Council's PM Guidance)?	
Level 2	
17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)	
(2) Project manager qualification is under review for this investment	
18. Is this investment identified as high risk on the Q4 - FY 2006 agency high risk report (per OMB's high risk memo)?	
Yes	
19. Is this a financial management system?	
No	
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)	
Hardware	5
Software	5
Services	90
21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?	
n/a	
22. Contact information of individual responsible for privacy related questions.	
Name	
Barbra Symonds	
Phone Number	
(202) 927-5170	
Title	
Director, Office of Privacy	
Email	
barbra.symonds@irs.gov	
23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?	
Yes	

SUMMARY OF SPEND

1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

All amounts represent Budget Authority

(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)

	PY-1 & Earlier	PY	CY
	-2005	2006	2007
Planning Budgetary Resources	0.000	0.000	0.000
Acquisition Budgetary Resources	0.000	0.000	0.700
Maintenance Budgetary Resources	103.246	7.580	6.198
Government FTE Cost	38.235	2.229	2.000
# of FTEs	350	20	16

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

no

PERFORMANCE

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.

Agencies must use Table 1 below for reporting performance goals and measures for all non-IT investments and for existing IT investments that were initiated prior to FY 2005. The table can be extended to include measures for years beyond FY 2006.

Table 1

	Fiscal Year	Strategic Goal(s) Supported	Performance Measure	Actual/baseline (from Previous Year)	Planned Performance Metric (Target)	Performance Metric Results (Actual)
1	2004	Treasury Goal: Collect Revenue due the Federal Govt. IRS Strategic Goals: Improve Taxpayer Service; Enhance Enforcement of the Tax Law; Modernize the IRS through its People, Processes and Technology	45.7% of Total Individual Returns Filed Electronically	40.7% of Total Individual Returns Filed Electronically	Raw production numbers from IRS Projections and Forecasting.	Production data obtained from IRS Projections and Forecasting.

2	2004	Treasury Goal: Collect Revenue due the Federal Govt. IRS Strategic Goals: Improve Taxpayer Service; Enhance Enforcement of the Tax Law; Modernize the IRS through its People, Processes and Technology	3.5% of Total U.S. Return of Partnership Income Forms (Form 1065) Filed Electronically	2.1% of Total U.S. Return of Partnership Income Forms (Form 1065) Filed Electronically	Raw production numbers from IRS Projections and Forecasting.	Production data obtained from IRS Projections and Forecasting.
3	2005	Treasury Goal: Collect Revenue due the Federal Govt. IRS Strategic Goals: Improve Taxpayer Service; Enhance Enforcement of the Tax Law; Modernize the IRS through its People, Processes and Technology	50.0% of Total Individual Returns Filed Electronically	45.7% of Total Individual Returns Filed Electronically	Raw production numbers from IRS Projections and Forecasting	Production data obtained from IRS Projections and Forecasting.
4	2005	Treasury Goal: Collect Revenue due the Federal Govt. IRS Strategic Goals: Improve Taxpayer Service; Enhance Enforcement of the Tax Law; Modernize the IRS through its People, Processes and Technology	5.2% of Total U.S. Return of Partnership Income Forms (Form 1065) Filed Electronically	3.5% of Total U.S. Return of Partnership Income Forms (Form 1065) Filed Electronically	Raw production numbers from IRS Projections and Forecasting	Production data obtained from IRS Projections and Forecasting.
5	2006	Treasury Goal: Collect Revenue due the Federal Govt. IRS Strategic Goal: Improve Taxpayer Service, Enhance Enforcement of the Tax Law, Modernize the IRS through its People, Processes, and Technology.	55.3% of Total Individual Returns Filed Electronically	54.6% of Total Individual Returns Filed Electronically	Raw production numbers from IRS Projections and Forecasting	Production data obtained from IRS Projections and Forecasting.
6	2006	Treasury Goal: Collect Revenue due the Federal Govt. IRS Strategic Goals: Improve Taxpayer Service; Enhance Enforcement of the Tax Law; Modernize the IRS through its People, Processes and Technology	8.38% of Total U.S. Return of Partnership Income Forms (Form 1065) Filed Electronically	9.9% of Total U.S. Return of Partnership Income Forms (Form 1065) Filed Electronically	Raw Production numbers from IRS Projections and Forecasting	Production data obtained from IRS Projections and Forecasting.
7	2007	Treasury Goal: Collect Revenue due the Federal Govt. IRS Strategic Goals: Improve Taxpayer Service; Enhance Enforcement of the Tax Law; Modernize	57.7% of Total Individual Returns Filed Electronically	54.1% of Total Individual Returns Filed Electronically	Raw production numbers from IRS Projections and Forecasting	X

		the IRS through its People, Processes and Technology				
8	2007	Treasury Goal: Collect Revenue due the Federal Govt. IRS Strategic Goals: Improve Taxpayer Service; Enhance Enforcement of the Tax Law; Modernize the IRS through its People, Processes and Technology	9.4% of Total U.S. Return of Partnership Income Forms (Form 1065) Filed Electronically	7.2% of Total U.S. Return of Partnership Income Forms (Form 1065) Filed Electronically	Raw production numbers from IRS Projections and Forecasting	X

All new IT investments initiated for FY 2005 and beyond must use Table 2 and are required to use the FEA Performance Reference Model (PRM). Please use Table 2 and the PRM to identify the performance information pertaining to this major IT investment. Map all Measurement Indicators to the corresponding "Measurement Area" and "Measurement Grouping" identified in the PRM. There should be at least one Measurement Indicator for at least four different Measurement Areas (for each fiscal year). The PRM is available at www.egov.gov.

Table 2

Fiscal Year	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
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EA

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?

yes

2. Is this investment included in the agency's EA Transition Strategy?

Yes

2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.

Modernized e-File is described as replacing EMS functionality in the Enterprise Transition Plan, Volume 1, Enterprise Transition Strategy, Version 1.0 dated September 16, 2005.

3. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to <http://www.whitehouse.gov/omb/egov/>.

Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.

Reused Name and UPI: A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.

Internal or External Reuse?: Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.

Funding Percentage: Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.

	Agency Component Name	Agency Component Description	Service Type	Component	Reused Component Name	Reused UPI	Internal or External Reuse?	Funding %
1	Tax Account Management, Business Logic	Manages the electronic capture of taxpayer specific data	Data Management	Data Exchange			No Reuse	90
2	Data Exchange	Data exchange with trading partners occurs via the drop box component. Data exchange with backend components, ELF and MeF, occurs via the EMS relay component.	Data Management	Data Exchange			No Reuse	10

4. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

	SRM Component	Service Area	Service Category	Service Standard	Service Specification (i.e., vendor and product name)
1	Data Exchange	Service Access and Delivery	Delivery Channels	Internet	TIPPS Contract, support services
2	Data Exchange	Service Access and Delivery	Service Requirements	Legislative / Compliance	Secure telnet connections
3	Data Exchange	Service Access and Delivery	Access Channels	Other Electronic Channels	Channels for EMC storage access
4	Data Exchange	Service Access and Delivery	Delivery Channels	Peer to Peer (P2P)	TIPPS Contract, support services
5	Data Exchange	Service Access and Delivery	Service Requirements	Authentication / Single Sign-on	improved trading partner login access

5. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

no

6. Does this investment provide the public with access to a government automated information system?

no

PART TWO

RISK

You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

Answer the following questions to describe how you are managing investment risks.

1. Does the investment have a Risk Management Plan?

yes
1.a. If yes, what is the date of the plan?
2006-09-29
1.b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?
no
3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule: (O&M investments do NOT need to answer.)
EMS has minimal control over the requirements placed on it due to legislative changes. This risk is reflected in CY 2007 and BYs 2008 and 2009 Maintenance Budgetary Resources and Outlays.
COST & SCHEDULE
Does the earned value management system meet the criteria in ANSI/EIA Standard 748?
no
2.a. What is the Planned Value (PV)?
0.250
2.b. What is the Earned Value (EV)?
0.250
2.c. What is the actual cost of work performed (AC)?
0.250
What costs are included in the reported Cost/Schedule Performance information?
Contractor and Government
2.e. As of date:
2006-12-31
3. What is the calculated Schedule Performance Index ($SPI = EV/PV$)?
1
4. What is the schedule variance ($SV = EV - PV$)?
0.000
5. What is the calculated Cost Performance Index ($CPI = EV/AC$)?
1
6. What is the cost variance ($CV = EV - AC$)?
0.000
7. Is the CV or SV greater than 10%?
no
7.d. What is most current Estimate at Completion?
1.400
8. Have any significant changes been made to the baseline during the past fiscal year?
no